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C O N F I D E N T I A L SECTION 01 OF 02 YEREVAN 001015

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SUBJECT: ARMENIA DISMAYED BY RUSSIAN POSITION ON CFE SUSPENSION, WORRIES OF SOUTH CAUCASUS ARMS RACE

Classified By: CDA R.V. Perina, reasons 1.4 (b,d)

- 11. (C) SUMMARY: Armenian strategists are unanimously chagrined by Russia's plan to withdraw from the Conventional Forces in Europe (CFE) treaty, believing that a functioning CFE is very much in Armenia's national interests to restrain a regional arms race. FM Oskanian and MFA experts tell us they have raised concerns with Moscow. Respected local think tanks echo the MFA's fears that Russia's withdrawal would offer Azerbaijan political cover to do the same. Armenians complain that Azerbaijan already blatantly violates CFE limits on armored vehicles, but nonetheless feel the treaty still provides some restraint on Azerbaijani arms acquisitions. Armenian diplomats, however, nurtured some hope that Russia could be persuaded not to withdraw from CFE, and urged the U.S. work with Russia to assuage some legitimate Russian concerns. END SUMMARY
- 12. (C) CFE A VALUABLE FORUM: Foreign Minister Vartan Oskanian told CDA July 23 that Armenia was very concerned about Russia's announced suspension of the CFE treaty. Oskanian said Armenia was most directly and negatively affected by this development. Oskanian noted that Russia has a military base here in Armenia, and Russian equipment is counted against Armenia's quota of treaty-limited CFE arms. Armenia has expressed concerns about the move to the Russians, and hopes Russia can be persuaded during the 180-day period not to pull out of CFE. The foreign minister mentioned media reports that Azerbaijan had recently bought 40-50 tanks from Ukraine as a compelling example of the real dangers posed by a conventional arms race in the South Caucasus. If nothing else, Oskanian said, CFE provides Armenia a forum in Vienna to protest Azerbaijan's weapons purchases that put it in violation of CFE limits. Oskanian offered a nod to Azerbaijani sensibilities as well, noting that Azerbaijan often objected that military forces in Nagorno Karabakh (NK) were not counted against Armenia's quota limits.
- 13. (C) MEETING RUSSIA HALFWAY?: Poloffs met July 27 with the director, Armen Yedigarian, and lower-level experts from the MFA's Arms Control and International Security Department, who echoed and elaborated on Oskanian's brief CFE comments. Yedigarian termed CFE the "cornerstone of European security," and very much regretted Russia's move to withdraw. He also applauded the Vienna-based Joint Consultative Group as a very useful, neutral venue for Armenia to air its concerns about Azerbaijan's arms purchases, as well as to keep an eye on Turkey's military posture near the Armenian border. Yedigarian commented that Russian frustration had been growing for several years over the West's refusal to ratify the Adapted CFE (A/CFE) treaty, and Armenia was somewhat

sympathetic to this point of view. He urged the United States to work with Russia to find a resolution that would stave off Russian withdrawal from CFE. Yedigarian also thought it would help if some Western countries were to start ratifying A/CFE, to soften the sharp East-West divide between ratifiers and non-ratifiers. He added that this is just one aspect of a larger package of U.S.-Russian strategic disagreements, most notably over missile defense.

- 14. (C) AZERBAIJAN'S "FORCE MAJEURE"?: Yedigarian and his department were worried by Azerbaijani Deputy Foreign Minister Araz Azimov's reported comment June 12, during an extraordinary CFE conference in Vienna, that Azerbaijan finds itself in a "force majeure" situation. Armenia took note of the comment, and the fact that in the CFE context "force majeure" had legal meaning only as a justification not to allow treaty inspections to verify military equipment holdings. The MFA took this as an early warning the GOAJ was preparing the ground to start denying treaty inspections of Azerbaijani stocks. He reported that France and Germany had offered words of support about Armenia's complaints of Azerbaijani violations, and hoped that the United States would take a similar stand.
- 15. (C) THE REAL WORLD IMPACT: Sergei Sargsyan, a CFE expert at the local NGO Spectrum Center for Strategic Analysis, commented that the real key issue for Armenian security was Azerbaijan's ability to punch through Armenian and Karabakhi fortifications surrounding the disputed territory of Nagorno Karabakh. While treaty-limited heavy weaponry (such as tanks, large caliber artillery, and combat aircraft) are of only limited use for sustained combat operations in the ruggedly mountainous terrain in and around NK, he said, they would be critical to Azerbaijan's ability to penetrate the

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entrenched defensive ring that Armenian/Karabakhi forces have built up around the disputed territory over the past 13 years, and could make a decisive difference in the early phase of any future conflict.

16. (C) REQUEST FOR INFORMATION: Yedigarian asked us if we could provide additional information on two aspects of this issue. First, he desired more information about the U.S. view and negotiating position with Russia on CFE and missile defense. He commented that Armenia is periodically able to get readouts from the Russian MFA about the Russian perspective on these discussions, but he knew comparatively little about the U.S. position. Second, Yedigarian wondered about the United States' view of Azerbaijan's position vis-a-vis the CFE treaty, and what significance we ascribed to DFM Azimov's "force majeure" remarks. Post deployed points from refs C and D to brief Yedigarian on the state of U.S.-Russian talks.